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Flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development

Report of the Secretary-General

Summary

The present report responds to a request made at the twenty-eighth session of the Commission on Population and Development for an annual report on the flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development. It also complies with General Assembly resolutions 49/128 and 50/124, in which the Assembly called for the preparation of periodic reports on the flow of financial resources for assisting in the implementation of the Programme of Action.

The report examines expected levels of donor and domestic expenditures for population activities in developing countries for 2005 and provides estimates for population expenditures in 2006 and projections for 2007.

Donor assistance has been increasing steadily over the past few years, reaching US$ 5.6 billion in 2004. If this trend continues, donor assistance may reach as high as $6.9 billion in 2005 and may increase further to $7.8 billion in 2006 and to $8.6 billion in 2007. These optimistic estimates presuppose that donors will continue to increase funding levels. Many major donors have not yet reported their 2005 figures. A rough estimate of resources mobilized by developing countries, as a group, yielded a figure of $17.3 billion for 2005. This number is expected to increase to $18.7 billion in 2006 and $19.5 billion in 2007. These figures also presuppose that developing countries will continue to increase resources for population activities.

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Even if estimates and projections hold and the financial targets, of the Conference are surpassed, the resources mobilized will not be sufficient to meet current needs, which have grown dramatically since the targets were agreed upon in 1994. At that time, the population and health situation in the world was much different from what it is today. No one had foreseen the escalation of the AIDS pandemic. In 1994, 14 million people were said to be living with HIV/AIDS; in 2006, this number increased to almost 40 million. UNAIDS estimated that global resource requirements amounted to $15 billion in 2006, of which $8.4 billion is required for prevention and $3 billion for treatment and care. The financial targets of $1.4 billion in 2005 and $1.5 billion in 2010 (for prevention activities only) that were set by the Conference are far below these estimated requirements and should be revised upward to more accurately address current needs and costs, including those for treatment.

In addition, funding for family planning and reproductive health, which has been lagging behind, must also increase proportionately with needs in these areas. The challenge before the international community is to mobilize sufficient resources to meet current needs in all critical components of the Conference-costed population package in order to implement the agenda of the International Conference on Population and Development within the framework of the Millennium Development Goals.

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I. Introduction

1. The present report has been prepared by the United Nations Population Fund (UNFPA) in response to a request made at the twenty-eighth session of the Commission on Population and Development[1] for an annual report on the flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development[2] held in Cairo in 1994. The report is part of the work programme of the Commission and is submitted in accordance with General Assembly resolutions 49/128 and 50/124, in which the Assembly called for the preparation of periodic reports on the flow of financial resources for assisting in the implementation of the Programme of Action.

2. The report reviews the flow of funds from donor countries for population assistance in developing countries[3] and provides estimates of government and non-governmental expenditures for population activities in developing countries for 2005. It also includes donor and developing country estimates for 2006 and projections for 2007. Data-collection activities for both donor and domestic resource flows were undertaken by the Netherlands Interdisciplinary Demographic Institute (NIDI) under a contract with UNFPA and the Joint United Nations Programme on HIV/AIDS (UNAIDS). Evaluation and analysis of data were carried out jointly by the Institute and UNFPA.

Methodology

3. A detailed questionnaire was mailed to over 100 key actors in the field of population and AIDS, including major multilateral organizations and agencies, large private foundations and other non-governmental organizations (NGOs) that provide substantial amounts of population assistance and the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC) donor countries, although increasingly, information from donor countries is obtained from the OECD/DAC database. In the absence of complete data from many of the major donors by the publication deadline, the information contained in the present report is based on estimates and projections, taking into account past funding behaviour, reported future expected expenditures and recent trends.

4. Information on domestic resource flows is based on data supplied by Governments and NGOs in developing countries throughout the world, secondary sources and estimation and projection techniques.

5. The external and domestic financial resource flows for population activities analysed in the present report are part of the "costed population package" as specified in paragraph 13.14 of the Programme of Action of the International Conference on Population and Development. The package comprises family planning services; basic reproductive health services; sexually transmitted diseases

[1] See *Official Records of the Economic and Social Council, 1995, Supplement No. 7* (E/1995/27), annex I, sect. III.

[2] *Report of the International Conference on Population and Development, Cairo, 5-13 September 1994* (United Nations publication, Sales No. E.95.XIII.18), chap. I, resolution 1, annex.

[3] All references to developing countries in the present report also include countries with economies in transition.

(STDs)/HIV/AIDS prevention activities;[4] and basic research, data and population and development policy analysis. The Programme of Action estimated that the implementation of this population and reproductive health package in the developing countries and countries with economies in transition would cost US$ 18.5 billion[5] annually by 2005. Approximately two thirds of the projected costs would come from developing countries and one third, or $6.1 billion, would come from the international donor community (para. 13.16).

II. Donor assistance to population activities

6. For the first few years after the International Conference on Population and Development, there was little progress to report, as increases in funding for population activities were negligible. In 2000, population assistance stood at $2.6 billion, only 46 per cent of the financial goal of $5.7 billion agreed upon in Cairo as the international community's share in financing the Programme of Action of the Conference. Since then, there has been a slow but steady upward trend in the direction of a concerted response to bridging the funding gap. By 2004, donor assistance had increased to $5.6 billion. If the trend towards increased assistance continues, it is expected that the 2005 figure could increase to as much as $6.9 billion (see table 1). It is estimated that population assistance would have increased to $7.8 billion in 2006. If donors live up to their expected future commitments, funding is projected to increase to $8.6 billion in 2007 (see figure I). It should be pointed out that these estimates presuppose that donors will continue to increase funding levels as they did in the past few years. However, even though it appears that the target will be surpassed, the amount mobilized is significantly below actual needs, which have escalated far above those estimated in 1993, particularly for HIV/AIDS.

[4] Beginning with the 1999 round of questionnaires, the UNFPA/UNAIDS/NIDI Resource Flows Project began to include data on HIV/AIDS treatment and care so as to address the growing reporting needs of UNAIDS and because it was becoming increasingly impossible for respondents to provide information on HIV/AIDS prevention activities only.

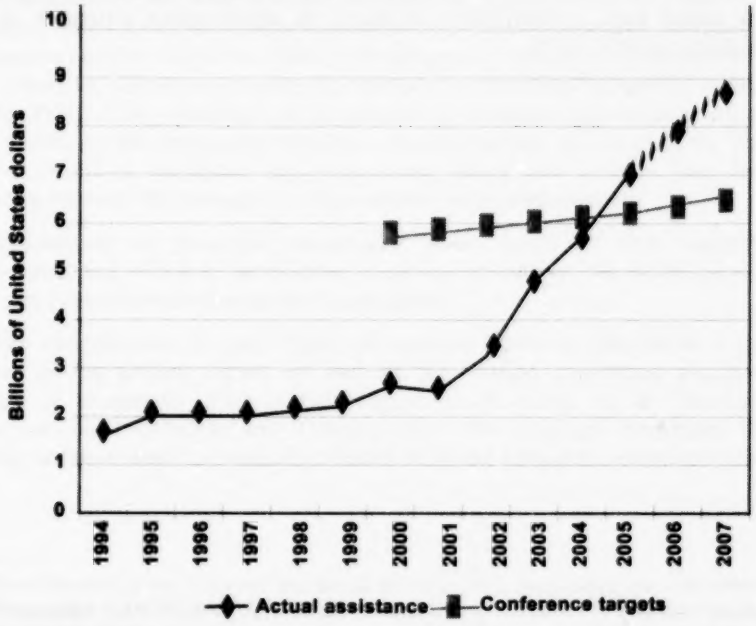
[5] All references to dollars signify Unites States dollars.

Table 1
International population assistance, by major donor category, 2004-2007
(Millions of United States dollars)

Donor category	*2004*	*2005*	*Estimated 2006*	*Projected 2007*
Developed countries	4 537	5 818	6 659	7 422
United Nations system	61	64	66	69
Foundations/NGOs	434	454	468	491
Development bank grants	227	239	246	258
Subtotal	**5 259**	**6 575**	**7 439**	**8 240**
Development bank loans	361	361[a]	361[a]	361[a]
Total	**5 620**	**6 936**	**7 800**	**8 600**

Sources: UNFPA, *Financial Resource Flows for Population Activities in 2004* (New York, 2006); and UNFPA/UNAIDS/NIDI Resource Flows Project database.
Note: Totals may not add up owing to rounding. Data for 2005 are provisional; data for 2006 are estimates; data for 2007 are projections.
[a] Estimated at the 2004 level.

Figure I
Population assistance as compared with targets of the International Conference on Population and Development, 1994-2007



(Footnotes on following page)

(Footnotes to figure I)

Sources: UNFPA, *Financial Resource Flows for Population Activities in 2004* (New York, 2006); and UNFPA/UNAIDS/NIDI Resource Flows Project database.

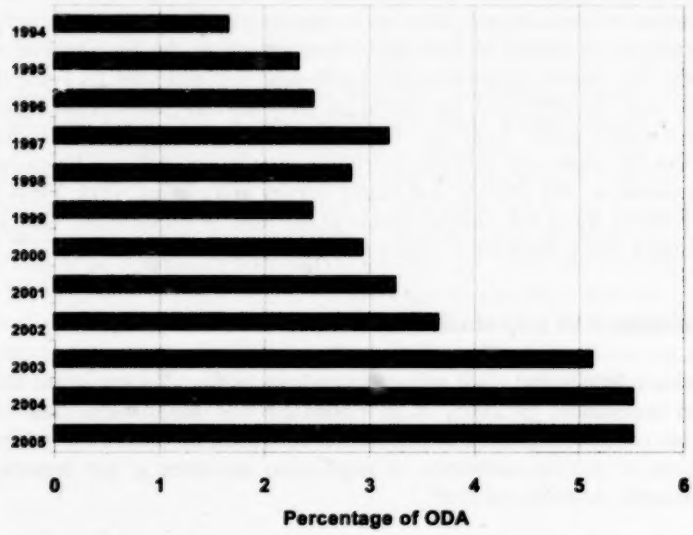
Note: Estimated 2006 and projected 2007 assistance is shown by broken line (- - -). Data on actual assistance for 2005 are provisional; data for 2006 are estimates; data for 2007 are projections.

A. Bilateral assistance to population activities

7. Donor countries traditionally provide the largest share of population assistance. Bilateral assistance is estimated at $5.8 billion in 2005, up from $4.5 billion in 2004. According to preliminary estimates, donor countries provided $6.7 billion for population activities in 2006. Projections for 2007 place this number at $7.4 billion.

8. According to the latest OECD figures, the significant scaling-up of aid promised by donors at recent international meetings continues. Official development assistance (ODA) increased to $106.8 billion in 2005, up from $79.4 billion in 2004. Most countries registered increases. No significant change is expected in the percentage of total ODA that donor countries, as a group, contributed to population assistance (see figure II). This figure is expected to hover around 5 per cent, although there are significant variations between donor countries.

Figure II
Population assistance of donor countries as a percentage of ODA, 1994-2005



Sources: UNFPA, *Financial Resource Flows for Population Activities in 2004* (New York, 2006); and UNFPA/UNAIDS/NIDI Resource Flows Project database.

Note: Data for 2005 are provisional.

B. Multilateral assistance to population activities

Grants

9. Multilateral assistance to population activities is provided by the organizations and agencies of the United Nations system, mainly UNAIDS, UNFPA, the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO). Whatever the United Nations organizations receive for population assistance from OECD/DAC donor countries is considered to be bilateral assistance. Organizations' general funds not earmarked for population activities, interest earned on funds and money from income-generating activities that are spent on population activities are considered to be multilateral assistance for population. Funds received from developing countries that organizations spend on population activities are a small portion of an organization's regular budget and are also included as multilateral assistance. Multilateral assistance, which was $61 million in 2004, is expected to increase only slightly to around $64 million in 2005. Funding levels are not expected to change significantly in 2006 and 2007.

10. UNFPA is the leading provider of United Nations assistance in the population field, having provided support to 148 developing countries in 2005. UNFPA, which relies on voluntary contributions, uses the multi-year funding framework initiative that emphasizes management for results, tying programme support to policy development and linking the International Conference on Population and Development targets and the Millennium Development Goals in the context of poverty reduction so as to stimulate resource mobilization.

Loans

11. Development banks, which provide loans to developing countries, are an important source of multilateral population assistance. Their contributions are treated separately from grants because their assistance is in the form of loans that must be repaid. The banks' projects reflect multi-year commitments recorded in the year in which they are approved but disbursed over several years. Most loans for population assistance come from the World Bank, which supports reproductive health and family planning service delivery, population policy development, HIV/AIDS prevention, and fertility and health survey and census work. Final 2005 data from the World Bank were not available at the time of publication. Hence, the figure is estimated at the 2004 level, which was $361 million.

C. Private assistance to population activities

12. Foundations, NGOs and other private organizations are also important sources of population assistance. In 2005, it is estimated that foundations and NGOs contributed just over $450 million to population activities, up from $434 million in 2004. The level of private assistance to population activities is not expected to change significantly in 2006 and 2007.

D. Expenditures for population activities by geographical region

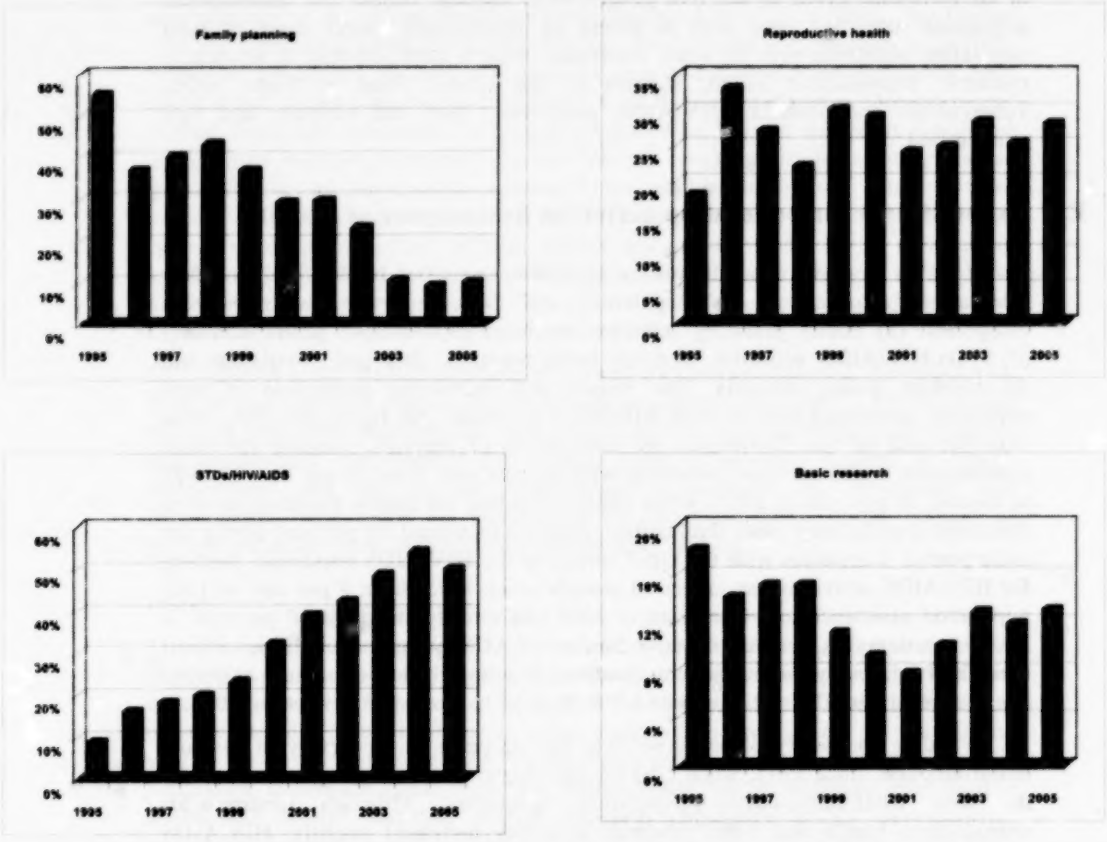
13. Sub-Saharan Africa, which includes the majority of the least developed countries, continued to be the largest recipient of assistance receiving more than half of all assistance given to the five geographical regions. Global and interregional population activities have been receiving an increasingly larger share of total population assistance over the years. Assistance went to such activities as advocacy; research; reproductive health; support to the Global Fund to Fight AIDS, Tuberculosis and Malaria; HIV/AIDS prevention, care and support; and safe motherhood.

E. Expenditures for population activities by category of activity

14. UNFPA monitors expenditures for population activities by the following four International Conference on Population and Development-costed population categories: (a) family planning services; (b) basic reproductive health services; (c) STDs/HIV/AIDS activities; and (d) basic research, data and population and development policy analysis. The largest and increasing proportion of total population assistance goes to fund HIV/AIDS activities (see figure III). Consistent with the call of the Conference for integration of services, funding for basic reproductive health services increased, with fluctuations, from 18 per cent in 1995 to around 28 per cent in 2005, while explicit funding for family planning services decreased significantly, with fluctuations, from 55 to around 10 per cent during the same period. Consistent with the rapid spread of the HIV/AIDS pandemic, funding for HIV/AIDS activities has increased sharply since 1995, from 9 per cent of total population assistance to 54 per cent in 2004 and already stands at 50 per cent in 2005 even though a number of major funders of AIDS programmes did not report their final figures by the publication deadline. Funding for basic research activities has decreased with fluctuations since 1995, from 18 to around 13 per cent in 2005.

15. Funding for family planning services has decreased considerably in absolute dollar amounts since 1995, when UNFPA first began monitoring resource flows by the four Conference-costed population categories. Although funding for reproductive health and basic research activities increased slightly, HIV/AIDS activities received the largest proportion of assistance. Given the increased emphasis on addressing the global AIDS pandemic, including the Millennium Development Goal (Goal 6) of combating HIV/AIDS, malaria and other diseases and the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria and the United States President's Emergency Plan for AIDS Relief, estimates for 2006 and projections for 2007 point to a continuation of this trend. In fact, donor countries are expected to continue to spend a large percentage of their population assistance on STDs/HIV/AIDS activities in 2006 and 2007.

Figure III
Expenditures for population activities as a proportion of total population assistance, 1995-2005



Sources: UNFPA, *Financial Resource Flows for Population Activities in 2004* (New York, 2006); and UNFPA/UNAIDS/NIDI Resource Flows Project database.

Note: The percentage going to HIV/AIDS is expected to increase as more data are received because many of the major funders of AIDS programmes did not report their final figures by the publication deadline.

16. The growing trend towards integration of services and the increasing use of sector-wide approaches in development assistance are making it increasingly difficult for countries to readily distinguish between expenditures for population and other health-related activities and, within population, among family planning, reproductive health and STDs/HIV/AIDS activities.

F. Expenditures for population activities by channel of distribution

17. Assistance for population activities flows through a diverse network, moving from the donor to the recipient country through one of the following channels: (a) bilateral: directly from the donor to the recipient country Government; (b) multilateral: through United Nations organizations and bodies; and (c) non-governmental. The NGO channel continued to predominate throughout all regions in 2005. Population assistance is expected to continue to be channelled in large part by NGOs in 2006 and 2007.

III. Domestic expenditures for population activities

A. Methodology

18. The International Conference on Population and Development pointed out that domestic resources of developing countries provide the largest portion of funds for attaining population and development objectives. Domestic resource mobilization is therefore one of the highest priority areas for focused attention to facilitate full implementation of the Conference agenda. UNFPA has been monitoring domestic expenditures for population activities since 1997. This has been done primarily through the use of survey questionnaires sent to UNFPA country offices throughout the world for further distribution to government ministries and large national NGOs. Experience has shown that many Governments are often unable to supply the requested data because of funding, staffing and time constraints. In addition, countries that do not have well-developed systems for monitoring resource flows are unable to provide information, especially when funding is pooled in integrated social and health projects and sector-wide approaches. Furthermore, countries with decentralized accounting systems can only supply data on national expenditures and are not able to provide information on expenditures for population at subnational (lower administrative) levels.

19. Total global domestic expenditures for population activities presented in the present report are estimated using a methodology that incorporates the responses of the surveyed countries, together with prior reporting on actual and intended expenditures and secondary sources on national spending; and in the absence of such information, estimates and projections are based on national income as measured by the level of gross domestic product, which has proved to be the most influential variable explaining the growth of spending by Governments.[6]

[6] See Hendrik P. van Dalen and Daniel Reijer, "Projections of funds for population and AIDS activities, 2005-2007" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2006), Hendrik P. van Dalen and Mieke Reuser, "Assessing size and structure of worldwide funds for population and AIDS activities" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2004); and Hendrik P. van Dalen and Mieke Reuser, "Projections of funds for population and AIDS activities, 2004-2006 (The Hague, Netherlands Interdisciplinary Demographic Institute, 2005).

B. Estimates and projections of domestic expenditures

20. Table 2 presents estimates and projections of global domestic expenditures for population activities for 2005-2007. It shows a steady increase in domestic funding for population activities in all regions. It is estimated that developing countries spent $17.3 billion for population activities in 2005. The largest amount was mobilized in Asia ($11.4 billion), followed by sub-Saharan Africa ($2.5 billion), Latin America and the Caribbean ($1.7 billion), Eastern and Southern Europe ($869 million) and Western Asia and Northern Africa ($863 million).

21. Domestic expenditures are estimated to have further increased to $18.7 billion in 2006 and they are projected to increase again to $19.5 billion in 2007. Increases are expected in every region except sub-Saharan Africa. Asia is expected to continue to mobilize the largest amount of financial resources in both 2006 and 2007. Sub-Saharan Africa is expected to mobilize the second largest amount of funds, followed by Latin America and the Caribbean. Western Asia and Northern Africa are expected to mobilize more resources than Eastern and Southern Europe in both 2006 and 2007.

22. About one third of all domestic expenditures for population are spent on STDs/HIV/AIDS. This percentage varies considerably by region. It is estimated that sub-Saharan Africa spent over 90 per cent of its funds on AIDS. Figures for Asia are low because data on out-of-pocket spending are not complete.

Table 2
Projection of global domestic expenditures for population activities, 2005-2007
(Thousands of US dollars)

	Source of funds				
Year/region	*Governments*	*NGOs*	*Consumers*[a]	*Total*	*Percentage spent on STDs/HIV/AIDS*
2005					
Africa (sub-Saharan)	1 105 126	84 922	1 331 722	2 521 770	91
Asia and the Pacific	4 105 481	90 634	7 173 312	11 369 427	15
Latin America and the Caribbean	1 049 767	59 828	545 619	1 655 214	80
Western Asia and Northern Africa	507 794	44 017	311 560	863 371	19
Eastern and Southern Europe	629 455	11 580	227 971	869 006	78
Total	**7 397 623**	**290 981**	**9 590 184**	**17 278 788**	**36**
2006					
Africa (sub-Saharan)	1 109 553	91 325	1 336 581	2 537 459	91
Asia and the Pacific	4 610 779	95 767	8 056 196	12 762 742	13
Latin America and the Caribbean	1 066 279	60 582	556 768	1 683 629	79

Year/region	Source of funds: Governments	NGOs	Consumers[a]	Total	Percentage spent on STDs/HIV/AIDS
Western Asia and Northern Africa	515 256	42 225	316 138	873 619	19
Eastern and Southern Europe	630 488	11 780	228 345	870 613	78
Total	**7 932 355**	**301 679**	**10 494 028**	**18 728 063**	**33**
2007					
Africa (sub-Saharan)	1 056 886	87 547	1 274 098	2 418 531	91
Asia and the Pacific	4 907 807	90 235	8 575 179	13 573 220	12
Latin America and the Caribbean	1 078 783	62 595	565 401	1 706 779	79
Western Asia and Northern Africa	540 663	46 736	331 727	919 126	19
Eastern and Southern Europe	640 925	12 366	232 125	885 416	77
Total	**8 225 064**	**299 478**	**10 978 530**	**19 503 072**	**31**

Sources: Hendrik P. van Dalen and Daniel Reijer, "Projections of funds for population and AIDS activities, 2005-2007" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2006). See also Hendrik P. van Dalen and Mieke Reuser, "Assessing size and structure of worldwide funds for population and AIDS activities" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2004); and Hendrik P. van Dalen and Mieke Reuser, "Projections of funds for population and AIDS activities, 2004-2006" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2005).

[a] Covering only out-of-pocket expenditures and based on the average amount per region as measured by the World Health Organization (2004) for health-care spending in general. For each region, the ratio of private out-of-pocket to per capita government expenditures was used to derive consumer expenditures in the case of population activities.

C. Components of domestic funding for population activities

23. Governments play a major role in financing population programmes. They are considered to be responsible for most domestic expenditures for population activities. However, since the level of government funding usually depends on the level of national income, Governments in least developed countries are least likely to be able to afford large outlays for population activities. Poor countries faced with many competing development priorities cannot afford to make the necessary investments in population. As a result, population issues are often excluded from social and health sector programmes because there is not enough funding to go around, or because of the emergence of new priorities without safeguards in place to ensure sustainability and expansion of existing programmes. National NGOs also contribute to the funding pool for population, but the majority of them are highly dependent on international resources. Their main role lies in advocacy work and in reaching people at the grass-roots level.

24. National Governments and NGOs are not the only sources of domestic expenditures for population activities. In fact, it is the consumers who actually spend the most. Private consumer expenditures account for a large percentage of total funding for health care. Although exact amounts of worldwide health-care spending for population activities are not known, it stands to reason that a significant proportion of expenditures for family planning, reproductive health and STDs/HIV/AIDS services are borne by consumers. The few available sources of information on private spending reveal great variations between regions and countries and, in some cases, changes over time in the share of private spending within countries themselves. In estimating consumer spending, the UNFPA/UNAIDS/NIDI Resource Flows Project used out-of-pocket health expenditures of households from the national health account figures as collected by WHO. The out-of-pocket health expenditures were assumed to be completely in line with out-of-pocket expenditures for population goods and services.

25. It should be pointed out that figures for 2006 and 2007 are dependent on whether Governments follow the expected patterns of spending, given past reported expenditures and levels of national income, and whether they live up to their commitments. Unforeseen factors such as natural disasters, conflict and political unrest can have a significant impact on domestic spending for population. However, such events can also serve to increase international assistance.

26. Although the global figure for domestic resource flows is a rough estimate, it is the most plausible estimate, given the fact that data are often incomplete and not entirely comparable. The information is useful in that it provides some idea of the progress made by developing countries, as a group, in achieving the financial resource targets of the Programme of Action. While the global total shows real commitment on the part of developing countries, it conceals the great variation that exists among countries in their ability to mobilize resources for population activities. Most domestic resource flows originate in a few large countries. Many countries, especially those in sub-Saharan Africa and the least developed countries, are not able to generate sufficient resources to finance their own population programmes and rely heavily on donor assistance.

27. Results of the domestic resource flows surveys have two important implications: developing countries require a greater share of external assistance to finance their population activities; and better recording systems are essential for monitoring resource flows in order to assist donors and developing countries to identify funding gaps and to coordinate donor financing policies.

IV. Resources for other population-related activities

28. The Programme of Action outlined a comprehensive population and development agenda. It pointed out that, beyond the costed population package, additional resources would be needed to support programmes that addressed the broader population and development objectives, including those that seek to strengthen the primary health-care delivery system, improve child survival, provide emergency obstetrical care, provide universal basic education, improve the status and empowerment of women, address environmental concerns, provide social services, achieve balanced population distribution and address poverty eradication

(paras. 13.17-13.19). No attempt was made to cost-out the resources required to achieve these broad population and development goals.

29. It should be noted that both donor and developing countries provide a significant amount of funds for population-related activities that address these broader population and development objectives but that have not been costed and are not part of the agreed target of $18.5 billion for 2005. Funding for such activities, since they are not part of the costed population package, funding for such activities is not included in the calculations of international population assistance and domestic resources for population. If the amount of the resources spent on these activities was added to expenditures for the costed population package, the overall level of support to the Programme of Action would be considerably higher.

V. Major challenges in implementing the financial targets of the International Conference on Population and Development

30. *Resource mobilization is heavily dependent on a few key players.* Population assistance originates with a few major donors and the majority of domestic resources are mobilized in a few large developing countries. Most donor countries do not provide substantial funding for population activities and most developing countries are not in a position to mobilize sufficient resources to fund much-needed population and AIDS programmes. Poor countries are faced with many competing development priorities and many of them simply cannot afford to make the necessary investments in population.

31. *Consumers bear the lion's share when it comes to population expenditures.* Although not easy to track, the role played by consumers in mobilizing resources is much larger than usually assumed. In many cases, there exceed government and NGO expenditures for population. Although variations exist between regions and countries, if spending on population and AIDS activities is completely in line with spending on health in general, then it is safe to assume that consumers in developing countries pay more than half of the burden of population expenditures. Out-of-pocket spending by consumers, especially the poor, has important implications for policy initiatives aimed at reducing poverty and income inequality in the developing world.

32. *AIDS-related activities are receiving the largest share of population funding.* There is a pronounced shift towards funding for STDs/HIV/AIDS at the expense of other population activities, from under 10 per cent of total population assistance in 1995 to over half of all assistance 10 years later. It should be pointed out that the International Conference on Population and Development targets for 2005 called for 8 per cent of total population assistance for STDs/HIV/AIDS prevention activities, 62 per cent for family planning services, 29 per cent for basic reproductive health services and 1 per cent for basic research, data and population and development policy analysis. The increased funding for AIDS-related activities is expected to continue and to be especially prominent among donor countries. This funding is for prevention activities as well as treatment and care, including especially substantial amounts of funding for antiretroviral therapy. Since the Cairo financial targets include funding levels for prevention activities only, the achievement of the targets can be attributed in part to funding for antiretroviral therapy. The accounting

systems of many organizations make it extremely difficult to report on expenditures for prevention only. There are fears that the larger share of funding that goes to AIDS activities might distract attention from the necessary funding for the other three elements of the Conference-costed population package. This is especially evident in the case of funding for family planning, where absolute dollar amounts are lower than they were in 1995. If not reversed, the trend towards less funding for family planning will have serious implications for the ability of countries to address unmet need for such services and could undermine efforts to prevent unintended pregnancies and reduce maternal and infant mortality.

33. *Escalating current needs and costs as compared with original International Conference on Population and Development estimates*. The Conference financial targets were fixed over 10 years ago, with cost estimates based on experiences as of 1993. Since that time, the population and health situation in the world has changed dramatically. The HIV/AIDS crisis is far worse than anticipated; and infant, child and maternal mortality remains unacceptably high in many parts of the world. In addition, since that time, health-care costs have increased substantially. Furthermore, the value of the dollar in 2005 was far lower than it was in 1993. As a result, the Conference target of $18.5 billion in 2005 is not sufficient to meet current developing-country needs in the area of family planning, reproductive health, STDs/HIV/AIDS and basic research, data and population and development policy analysis.

34. *Population and reproductive health are central to development and the achievement of the Millennium Development Goals*. At the 2005 World Summit, world leaders committed themselves to "(a)chieving universal access to reproductive health by 2015, as set out at the International Conference on Population and Development, integrating this goal in strategies to attain the internationally agreed development goals, including those contained in the Millennium Declaration, aimed at reducing maternal mortality, improving maternal health, reducing child mortality, promoting gender equality, combating HIV/AIDS and eradicating poverty" (General Assembly resolution 60/1, para. 57 (g)). The commitment of the international community to achieving the Millennium Development Goals needs to incorporate the Conference's universal reproductive health services target so that funding for family planning and reproductive health services is secured along with increased funding for HIV/AIDS.

35. *New aid environment*. The provision of aid is no longer business as usual. Given limited financial resources, issues of cost-effectiveness and programme efficiency are increasingly in the forefront. It is not sufficient for resources to be mobilized: both donors and recipients must make sure that the resources are used for the benefit of all, especially the poor. Coordination of donor policies and identification of funding gaps are also essential. In an effort to reform the way in which aid is delivered and managed, ministers of both developed and developing countries responsible for promoting development and heads of multilateral and bilateral development institutions committed themselves to the Paris Declaration on Aid Effectiveness (March 2005)[7] to increase the impact of aid on reducing poverty and inequality, increasing growth, building capacity and accelerating the achievement of the Millennium Development Goals. The process of monitoring the Paris Declaration includes an aid-effectiveness review to help countries and

[7] Available from http://www.mfdr.org/sourcebooks/2-1Paris.pdf.

development assistance agencies share a common evaluation of progress and jointly direct action and resources to strengthen ownership, alignment, harmonization, results and mutual accountability.

VI. Conclusion

A. Progress in resource mobilization

36. Although provisional figures show that both donors and developing countries are on target ($6.9 billion and $17.3 billion, respectively, in 2005) and indeed may have surpassed the 2005 goal of $18.5 billion, this is misleading because the resources mobilized do not adequately address the current needs, which have escalated considerably since the Conference and which now include treatment for HIV/AIDS. Indeed, for many less developed countries that cannot generate sufficient resources, the lack of adequate funding remains the chief constraint to the full implementation of the Programme of Action and on attaining the goals of the Conference agenda.

37. The recent increase in the flow of financial resources for assisting in the implementation of the Programme of Action has been primarily a result of the increase in funding for HIV/AIDS activities, including both prevention and treatment. However, these increases still do not meet current HIV/AIDS needs, which are much higher than anticipated when the targets were set. Funding for family planning, which has been steadily decreasing, is below the suggested target of $11.5 billion in 2005 and is also not meeting current needs in this area.

38. The real concern is that the target amount will not be sufficient to address the current global needs in all four Conference areas. This is true even in the area of HIV/AIDS, where most of the increase in funding has occurred and where, according to the most recent UNAIDS estimates, $15 billion is needed in 2006 for a comprehensive package including prevention, treatment and care, support for orphans and vulnerable children, programme costs and human resources.[8] If not reversed, the trend towards less funding for family planning could undermine efforts to prevent unintended pregnancies and reduce maternal and infant mortality.

B. Key areas requiring further attention

39. Implementing the Programme of Action, especially the reproductive health goal, is essential for meeting the Millennium Development Goals directly related to health and social and economic outcomes, especially those in the areas of children, mothers, HIV/AIDS, gender and poverty. It is essential that population issues figure prominently in national development programmes and poverty reduction strategies.

40. It is also essential that all Governments, of both donor and developing countries, recommit themselves to implementing the Conference objectives and to mobilizing the resources required to meet these objectives given current needs. Moreover, it is important to ensure that family planning and reproductive health

[8] See UNAIDS, "Resource needs for an expanded response to AIDS in low and middle-income countries", August 2005.

issues receive the attention they deserve at a time when the increased focus is on combating HIV/AIDS.

41. An effective partnership of donor and recipient countries based on mutual trust, accountability and donor coordination in support of country goals is essential to avoid duplication, identify funding gaps and ensure that resources are used as effectively and efficiently as possible.

42. The private sector has an important role to play in the mobilization of resources for population and development, in monitoring population expenditures and ensuring that financial targets and equity objectives are met. Civil society, especially women's NGOs, can play an important role in trying to ensure that Governments achieve financial targets and equity objectives and that resources reach all segments of the population, especially those that are most in need.

43. A more efficient and timely monitoring system to report financial flows for population activities is essential. Currently, both donors and developing countries lag behind in reporting expenditures in this area. The most common constraints encountered include respondent fatigue, lack of human and financial resources and difficulty in disaggregating the population component in integrated social and health projects and sector-wide approaches and in disaggregating the four categories of the costed population package. Different recording practices and decentralized accounting systems also present significant challenges.

44. It is essential that the international community continue to mobilize the required resources to implement the Cairo agenda in order to ensure that appropriate resources are allocated to population and reproductive health in funding and programming mechanisms such as sector-wide approaches and poverty reduction strategies. It is also important to ensure that adequate resources are allocated to all areas of the Conference-costed population package: family planning services, reproductive health services, STDs/HIV/AIDS and basic research, data and population and development policy analysis. It is particularly important to reach the ODA target of 0.7 per cent of gross national product. Without a firm commitment to population, reproductive health and gender issues, it is unlikely that the goals and targets of the International Conference on Population and Development and the Millennium Summit will be met.